# Britons face rising energy bills as gas prices soar



Britons are facing an increase in energy bills once again, largely attributed to a significant spike in the price of methane, or natural gas. The average annual energy cost for a typical household is projected to rise to £1,849, marking an increase of £111. This surge comes as gas prices reached a two-year high, exceeding €58 per megawatt hour, which is approximately £48.

Natural gas continues to play a substantial role in the UK's electricity generation mix. In the previous year, over half of the UK's electric power came from low-carbon sources such as wind, solar, and nuclear energy, while around 28.5 per cent was derived from natural gas. Gas is particularly essential during periods in winter when sunlight and wind are in short supply, as it can be rapidly deployed to meet fluctuating energy demands.

The importance of natural gas was starkly illustrated on January 8, when the UK came perilously close to a blackout due to soaring gas prices that exceeded £1,000 per megawatt hour. On that day, two power station companies received over £12 million for merely three hours of electricity generation, as other sources failed to meet the demand.

According to Professor John Underhill, university director for energy transition at Aberdeen University, approximately 75 per cent of the UK's energy requirements are still met by natural gas and oil. He elaborated that electricity contributes only a part of total energy demand, with transport predominantly reliant on petrol and diesel, and a high consumption of gas in industrial and heating operations.

The roots of the UK’s dependence on natural gas can be traced back to 1964, when significant reserves were discovered under the North Sea. This finding gave rise to a transition towards cheaper and cleaner fuel alternatives, moving away from coal, which was viewed as an environmentally detrimental option. Professor Underhill remarked that this transition was "huge" for the energy landscape of the nation. Prior to this change, homes were generally heated with coal and town gas, both of which were considered polluting compared to the cleaner-burning natural gas.

Despite the growth in renewable energy, particularly wind, which continues to replace gas usage, challenges remain due to the intermittent nature of such energy sources. Professor Underhill noted that while there is a commitment to cut carbon output, the current domestic supply from the North Sea is insufficient to meet the UK's gas requirements.

The UK government has set a target of achieving £300 in savings for households by 2030, but expectations for inflation are exceeding the set targets, primarily driven by the surge in energy costs. Many experts indicate that to control prices, a rapid expansion of cheaper renewable generation, such as wind farms, will be required, alongside the development of energy storage solutions to cope with winter demand.

Professor Underhill has pointed out that the pace of progress regarding energy storage is not meeting necessary speeds. Meanwhile, Energy Secretary Ed Miliband stated, "The way to deliver energy security and bring down bills for good is to deliver our mission to make Britain a clean energy superpower - with homegrown clean power that we in Britain control."

However, the challenges of grid access remain significant, with existing waits of up to eight years for new wind farms and other green projects to connect to the grid. The government may also consider extending the operational life of existing gas fields to utilise local gas supplies, seen as a more environmentally sound option compared to imports from locations like Qatar and the US. Miliband also recommended strict regulations to limit flaring and ensure emissions are effectively managed.

Looking ahead to 2030, the government aims for renewable sources to constitute 95 per cent of the grid’s energy supply. Professor Underhill commented on the feasibility of these targets, expressing skepticism while acknowledging that ambitious goals are vital. He highlighted the slow pace of developing nuclear plants and the complexities of integrating green projects into the grid as significant obstacles impeding the transition to a greener energy future.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.moneysavingexpert.com/news/2025/02/martin-lewis-april-price-cap-rise-announced/> - This article supports the claim that energy bills are rising due to an increase in the energy price cap, which is influenced by wholesale gas prices. It provides details on the new price cap rates starting from April 2025.
* <https://news.sky.com/story/energy-bills-for-typical-household-to-rise-to-1-849-a-year-from-april-13316130> - This news piece corroborates the rise in average annual energy bills to £1,849 and explains the impact of rising wholesale gas prices on the energy price cap.
* <https://www.ofgem.gov.uk/energy-price-cap> - This Ofgem webpage explains how the energy price cap works and provides details on the current and upcoming price cap levels, supporting the claim about the cap's influence on energy bills.
* <https://www.gov.uk/government/news/extra-energy-bill-support-for-the-country> - This government news release discusses the increase in the energy price cap and the government's plans to support households with rising energy bills, aligning with the article's mention of government actions.
* <https://www.uswitch.com/gas-electricity/guides/gas-electricity-prices/> - This guide provides an overview of gas and electricity price changes, including the impact of wholesale prices on the energy price cap, supporting the article's discussion on energy market dynamics.